

Mortgage Insurance for Cooperative Housing (Section 213)

Federal mortgage insurance to finance cooperative housing projects.

Nature of Program: FHA insures mortgages made by private lending institutions on cooperative housing projects of five or more dwelling units to be occupied by members of nonprofit cooperative ownership housing corporations. These loans may finance new construction, rehabilitation, acquisition, improvement, or repair of a project already owned, and resale of individual memberships; construction of projects composed of individual family dwellings to be bought by individual members with separate insured mortgages; and construction or rehabilitation of projects that the owners intend to sell to nonprofit cooperatives.

Applicant Eligibility: Nonprofit cooperative ownership housing corporations or trusts organized to construct homes for members of the corporation or beneficiaries of the trust; and qualified sponsors who intend to sell the project to a nonprofit corporation or trust.

Legal Authority: Section 213 of the National Housing Act (12 U.S.C. 1715e). Regulations are at 24 CFR part 200, subpart A, and part 213.

Administering Office: Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development, Washington, DC 20410.

Information Sources: Administering office; HUD Multifamily Hubs and Program Centers.

On the Web: www.hud.gov/offices/hsg/mfh/progdesc/coop213.cfm

Current Status: Active.